



NOTICE OF CHANGES TO OUR OVERDRAFT POLICY

Dear Member,

There are changes to our Overdraft Policy **effective May 1, 2023**. The exact changes are included within the enclosed disclosure and form, but an overview of these changes is below.

Effective May 1, 2023, we will introduce a **Standard Courtesy Pay Program** and an **Extended Courtesy Pay Program**:

Standard Courtesy Pay Program – Members who meet the enclosed eligibility requirements are automatically enrolled for Courtesy Pay to cover overdraft checks, Automated Clearing House (ACH) transactions, bill payments, recurring debit card payments and other payment transactions (other than one-time or nonrecurring debit card transactions) for which there is not a sufficient Available Balance in their checking account. Members may unenroll in the Standard Courtesy Pay at any time.

Extended Courtesy Pay Program – Members who meet the enclosed eligibility requirements are also able to opt in to elect Extended Courtesy Pay, which will cover one-time or nonrecurring debit card transactions for which there is not a sufficient Available Balance in their checking account. Members may opt out of this program at any time. Members must be enrolled in the Standard Courtesy Pay Program in order to opt in to the Extended Courtesy Pay Program.

IMPORTANT NOTE: If you are currently enrolled in our Courtesy Pay Program, you must take action by April 28, 2023, to opt in to our Extended Courtesy Pay Program if you want us to continue paying one-time debit transactions and avoid a lapse in coverage.

Please complete and submit our online Extended Courtesy Pay form at apgfcu.com/CourtesyPay or visit one of our branch locations to make any changes to your account.

Anyone not currently enrolled in our Courtesy Pay Program may also opt in to the Extended Courtesy Pay Program in preparation for the changes effective May 1, 2023.

You are not required to have Courtesy Pay on your account and you may opt out at any time. Without Courtesy Pay, you are still subject to Non-Sufficient Funds (NSF) Fees on check and ACH transactions, and all NSF items will be returned as unpaid. We do not charge a Non-Sufficient Funds Fee if a debit card payment is declined.

If you have not already done so, you may elect to link a savings account, a Visa® credit card, or an Easy Cash Line of Credit to your checking account as Overdraft Protection. Loans are subject to credit approval and fees and interest charges may apply. This may be a less expensive option than the fees for Courtesy Pay. Please contact us at 410-272-4000 or 800-225-2555, option 4 for additional information.

Please reference our All About You Accounts agreement and our Service Price List online at apgfcu.com for your membership agreement and the latest information on fees.

Sincerely,

The APGFCU Member Services Team



What You Need to Know About Overdrafts and Overdraft Fees

An overdraft occurs when you do not have enough of an available balance in your account to cover a transaction, but we pay it anyway. For more information about available balance and overdrafts, please refer to the All About Your Accounts agreement. We can cover overdrafts in several ways:

1. Share Protection transfer from a linked savings account. There is a \$10 per transaction Share Protection Fee. This may be a less expensive option than our fees for Courtesy Pay.
2. Visa® Credit Card Protection transfer from a linked Visa credit card. This option requires credit approval and interest charges may apply. One \$5 Visa Credit Card Protection Fee is assessed on the day in which the transfer(s) occurs. This may be a less expensive option than our fees for Courtesy Pay.
3. Easy Cash Protection transfer from a linked Easy Cash Line of Credit. This option requires credit approval and interest charges may apply. One \$5 Easy Cash Protection Fee is assessed on the day in which the transfer(s) occurs. This may be a less expensive option than our fees for Courtesy Pay.
4. Standard Courtesy Pay Program, which is subject to eligibility criteria and constraints as outlined in our All About Your Accounts agreement.
5. Standard and Extended Courtesy Pay Programs, which are subject to eligibility criteria and constraints, which are outlined in our All About Your Accounts agreement.

Under our Standard Courtesy Pay Program, we may pay checks, Automated Clearing House (ACH) transactions, automatic bill payments, and recurring debit transactions presented against your checking account when you do not have enough available balance to cover these transactions. If you opt in to our Extended Courtesy Pay Program, we may also pay one-time debit card transactions. We will not authorize and pay overdrafts for one-time debit transactions unless you ask us to by opting in. You are not required to have Courtesy Pay Programs on your account – you may opt out at any time.

To be eligible for our Standard Courtesy Pay Program or our Standard and Extended Courtesy Pay Programs, please see the eligibility criteria within the All About Your Accounts agreement.

What fees will I be charged if APGFCU pays my overdrafts?

APGFCU pays overdrafts at our discretion, which means we do not guarantee that we will always authorize and pay any type of transaction. Eligibility for Courtesy Pay Programs does not guarantee that we will pay overdrafts. Under our overdraft practices:

- We will charge you a fee of \$32 each time we pay an overdraft on checks, ACH, Bill Pay, recurring debit transactions, and other transactions made using your checking account number, at the time of the transaction.
- One-time debit card transactions using a PIN, signature, chip, or online will be paid and your account will be charged \$32 per day, at the end of the day, regardless of the number of one-time debit card overdrafts.
- If we do not authorize and pay an overdraft, your transaction will be declined and will be returned unpaid for Non-Sufficient Funds (NSF). You may be assessed a Non-Sufficient Funds Fee of \$32 per transaction.
- Overdraft fees on your account, including Courtesy Pay and Non-Sufficient Funds fees, will not exceed \$320 in a single day. This limit does not include any fees associated with Share Protection transfers, Visa Credit Card Protection transfers, or Easy Cash Line of Credit Protection transfers.



Opting In to Courtesy Pay for One-Time Debit Card Transactions

You may elect to opt in to our Extended Courtesy Pay Program for one-time debit card transactions at any time by completing and submitting the Courtesy Pay form. Eligibility criteria apply and opting in to this service does not guarantee payment. Please allow up to three business days for processing after we receive your request. You may opt in by completing and submitting the online Courtesy Pay form at apgfcu.com/CourtesyPay, by visiting one of our branch locations, or by mailing this completed form to:

APGFCU
Attention: Support Services
PO Box 1176
Aberdeen, MD 21001-6176

Opting Out of Courtesy Pay for One-Time Debit Card Transactions

You have the right to revoke your consent to pay one-time debit card transactions at any time by completing and submitting the Courtesy Pay form. Fees may still be assessed on pending one-time debit card transactions processed prior to your opt-out request. Please allow up to three business days for processing after we receive your request. You may opt out by completing and submitting the online Courtesy Pay form at apgfcu.com/CourtesyPay, by visiting one of our branch locations, or by mailing this completed form to the address listed above.

Access to Courtesy Pay for Checks, ACH, and Recurring Debit

Our Standard Courtesy Pay Program is a benefit to members with a checking account who meet the eligibility criteria. Our Standard Courtesy Pay Program may pay checks, Automated Clearing House (ACH) transactions, bill payments, and recurring debit transactions presented against your checking account when you do not have enough available balance to cover these transactions. You have the right to unenroll in our Standard Courtesy Pay Program at any time by completing and submitting the Courtesy Pay form. You may still be assessed Non-Sufficient Funds (NSF) Fees for transactions presented against your checking account when you do not have enough available balance to cover these transactions. You may unenroll by completing and submitting the online Courtesy Pay form at apgfcu.com/CourtesyPay, by visiting one of our branch locations, or by mailing this completed form to the address listed above.

Member Resources

Please contact us at any time at 410-272-4000 or 800-225-2555, option 4, to reach Member Services or visit one of our convenient branch locations for additional information on our overdraft practices. APGFCU also offers financial education to help our members make informed decisions. Please visit apgfcu.com/Learn to view resources from our partners at Banzai and GreenPath. In addition, we reserve the right to contact you regarding your usage of our programs. Courtesy Pay is not intended to be used in excess or for extended periods of time. Accounts are monitored for excessive use, and we may remove Courtesy Pay if we believe you are not managing your account in a responsible manner.



Courtesy Pay Form

By agreeing to have my overdrafts paid by APGFCU, I understand that I have a right to revoke or change my election at any time.

- I am opting IN to the Extended Courtesy Pay Program** to supplement my Standard Courtesy Pay Program, including overdrafts to cover one-time debit card transactions.
- I am opting OUT of the Extended Courtesy Pay Program** and do not wish overdrafts to cover one-time debit card transactions, which will instead be declined. *Please Note: This is only required if you have previously opted IN to the Extended Courtesy Pay Program.*
- I am opting OUT of all Courtesy Pay Programs.** Overdrafts on all transactions will not be paid and I may incur Non-Sufficient Funds (NSF) Fees on checks, ACH transactions, and other transactions using my checking account (excluding one-time debit transactions).
- I am RE-ENROLLING to the Standard Courtesy Pay program.** *Please Note: This is only required if you have previously unenrolled. The Standard Courtesy Pay Program is a benefit for all checking accounts.*

Member Name: _____

Member Number: _____

Checking Account Suffix(s): _____

Date: _____



The disclosure below will replace the "Understanding Your Account Balance to Avoid Overdraft Fees" and "Overdrafts" sections within any previously provided version of our All About Your Accounts agreement:

Overdraft and Non-Sufficient Funds (NSF)

Understanding Overdraft Services, Overdraft Coverage Options, Current Balance, and Available Balance. The information in this section is being provided to help you understand what happens if your account is overdrawn. Understanding the concepts of Overdrafts and Non-Sufficient Funds (NSF) is important and can help you avoid being assessed fees or charges. This section also provides contractual terms relating to Courtesy Pay and NSF transactions.

Generally. Generally, an Overdraft occurs when there is not enough Available Balance in your account at the time a transaction is presented to us for payment. If we pay an Overdraft, then we may charge a Courtesy Pay Fee as specified in the current version of our Service Price List. A Courtesy Pay Fee will not be charged for a debit card payment if there was a sufficient Available Balance at the time it was authorized, even if there is an insufficient Available Balance at the time it is presented for payment and posted to (paid from) your account. An NSF transaction is different. In an NSF transaction, we do not cover the Overdraft. Instead, the transaction is rejected and the item or requested payment is returned. If a check or ACH transaction is returned due to an insufficient Available Balance, then we may charge a Non-Sufficient Funds (NSF) Fee according to the current version of our Service Price List. Be aware that a transaction may be presented multiple times and that we do not monitor or control the number of times a transaction is presented for payment by a merchant. You agree that we may charge you an NSF Fee or Overdraft Fee each time a payment is presented if the amount of money available in your account is not sufficient to cover the payment, regardless of the number of times the payment is presented, even if it was previously declined and a fee was previously charged. We do not charge a Non-Sufficient Funds Fee if a debit card payment is declined.

If you qualify, then we may use our Standard Courtesy Pay Program or our Standard and Extended Courtesy Pay Program to cover (or pay) an Overdraft. We also offer Overdraft Protection Plans, such as linking to a savings account (Share Protection transfer), or transfers from lines of credit (Visa® Credit Card or Easy Cash Protection transfer), to help you avoid Overdrafts. These plans may be less expensive than our Standard and Extended Courtesy Pay Programs.

Overdraft Protection Plans. You can elect to cover Overdrafts by transferring money from your share (savings) account or, if you qualify, drawing on a line of credit or credit card linked to your checking account. Should an Overdraft occur, then we will first attempt to pay the transaction with one of these optional Overdraft Protection Plans.

While we may charge you an Overdraft Protection Transfer Fee for each transfer from your savings account, or for each day funds are drawn from a line of credit or credit card account, these fees are usually less than the fee you will be charged if we pay or reject the Overdraft transaction. Our Overdraft Protection Transfer Fees are reflected on our Service Price List in effect at the time the fee is assessed. In addition to an Overdraft Transfer Fee, you will be charged interest on the amount drawn from a line of credit or credit card in accordance with the terms of the line of credit or credit card agreement.

Courtesy Pay. If you have not signed up for our Overdraft Protection Plans, or funds are not available from a designated savings account, line of credit, or credit card, then we may either reject an Overdraft transaction or we may, at our discretion, elect to pay it using our Overdraft services, which we refer to as "Courtesy Pay." To be eligible for our Standard Courtesy Pay Program or our Standard and Extended Courtesy Pay Programs, you must meet the following eligibility criteria:

- Membership open for at least 60 days,
- Be 18 years of age or older,
- Share Savings balance of \$5.00 or more,
- No delinquent loans on any account longer than 16 days,
- No savings accounts with a negative balance for more than 5 consecutive days,
- No charged-off accounts, or any charged-off accounts that have been fully paid within the last 60 days,



No legal orders against your account,
No dormant accounts,
No suspicious or fraudulent activity in your account,
No more than 10 Courtesy Pay or NSF Fees combined on your account per calendar month,
Service is not available for Business accounts or deceased members.

If you are eligible, then our Courtesy Pay Program applies automatically to pay Overdraft checks, Automatic Clearing House (ACH) transactions, bill pay, recurring debit card payments and other payment transactions, other than one-time or nonrecurring debit card transactions. You may opt out of this service, in which case Overdraft checks, ACH and recurring debit card payments will be rejected if you have an insufficient Available Balance when the transaction is presented for payment. You must affirmatively opt in to our Extended Courtesy Pay Program for us to authorize Overdrafts caused by nonrecurring or one-time debit card payment transactions. If you do not opt in, then we will decline one-time debit card payments when you do not have a sufficient Available Balance at the time we are asked to authorize or approve the payment.

The fact that we may honor withdrawal requests in excess of the Available Balance in your account does not obligate us to do so later. So you can NOT rely on us to pay Overdrafts on your account regardless of how frequently or under what circumstances we have paid Overdrafts on your account in the past. We can change our practice of paying, or not paying, Overdrafts on your account without notice to you. We may use subsequent deposits, including direct deposits of Social Security or other government benefits, to cover such Overdrafts and Overdraft Fees.

Determining Your Available Balance. We use the "Available Balance" to determine whether your account is overdrawn, that is, whether there is enough money in your account to pay for a transaction. Importantly, your Available Balance may not be the same as your account's "Current Balance" (also known as "ledger" balance). This means an Overdraft could occur regardless of your account's Current Balance. It is important to understand how the two balances work so you know how much money is in your account at any given time. The following is important information regarding your account balances and how transactions are authorized and posted to your account.

Your Current Balance only includes transactions that have settled up to that point in time; that is, transactions (deposits and payments) that have posted to your account. The Current Balance does not include outstanding transactions (such as checks that have not yet cleared and electronic transactions that have been authorized but which are still pending). Thus, while the term "Current" may sound as though the number you see is an up-to-date display of what is in your account, that is not always the case. Any holds for purchase transactions, holds on deposits, or other checks, payments and fees that have not yet posted will not appear in your Current Balance. Your Current Balance is the balance reflected on your periodic statements.

Your Available Balance is the amount of money that is "available" in your account to make payments. In other words, the Available Balance is your Current Balance less transactions that have been authorized, but not yet settled, and portions of deposits that are not yet available for you to spend.

It is very important to understand that you may still overdraw your account even though your Available Balance and Current Balance appear to show there are sufficient funds to cover a transaction that you want to make. This is because your Available and Current Balance may not reflect all the outstanding checks you have written and all the automatic bill payments that you have authorized, or other outstanding transactions that have not been paid from your account.

In addition, your Available Balance may not reflect all of your debit card transactions. For example, if a merchant obtains our prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), then we must release the authorization hold on the transaction. The Available Balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account.



A Temporary Debit Authorization Hold Affects Your Account Balance. On debit card purchases, merchants may request a temporary hold on your account for a specified sum of money when the merchant does not know the exact amount of the purchase at the time the card is authorized. The amount of the temporary hold may be more than the actual amount of your purchase. Some common transactions where this occurs involve purchases of gasoline, hotel rooms, or meals at restaurants. When this happens, our processing system cannot determine that the amount of the hold exceeds the actual amount of your purchase. This temporary hold, and the amount charged to your account, will eventually be adjusted to the actual amount of your purchase, but it could be three calendar days, or even longer in some cases, before the adjustment is made. Until the adjustment is made, the amount of funds in your account available for other transactions will be reduced by the amount of the temporary hold. If another transaction is presented for payment in an amount greater than the funds left after the deduction of the temporary hold amount, you will be charged an NSF or Courtesy Pay Fee according to our NSF or Courtesy Pay Fee policy.

Balance Information. Keeping track of your balance is important. You can review your balance in a number of ways including reviewing your balance online, accessing your account information by phone, or coming into one of our branches.

Payment Types. Some, but not necessarily all, of the ways you can access the funds in your account include debit card transactions, automated clearing house (ACH) transactions, and check transactions. A debit card transaction might be authorized by use of a PIN, a signature, or a chip. An example of an ACH transaction is a preauthorized payment you have set up on a recurring basis. All these payment types can use different processing systems and some may take more or less time to post. This information is important for a number of reasons. For example, keeping track of the checks you write and the timing of the preauthorized payments you set up will help you to know what other transactions might still post against your account. For information about how and when we process these different payment types, see the "Payment Order of Items" subsection within our All About Your Accounts agreement.

Debit card transactions can be recurring or nonrecurring. Recurring transactions are where you use your debit card to set up a recurring monthly payment, such as a gym membership. Nonrecurring transactions are one-time transactions that are authorized each time you use your debit card. Using your debit card at a restaurant is an example of a one-time or nonrecurring transaction. We will rely on how the merchant characterizes the transaction for purposes of processing it and your only recourse for an improperly coded transaction is with the merchant who submitted it to us.

Funds Availability. Knowing when funds you deposit will be made available for withdrawal is another important concept that can help you avoid being assessed fees or charges. Please see the YOUR ABILITY TO WITHDRAW FUNDS subsection within our All About Your Accounts agreement for information on when different types of deposits will be made available for withdrawal.

Above is a general description of how certain types of transactions are posted. These practices may change and we reserve the right to pay items in any order we choose as permitted by law.

We may receive multiple deposit and withdrawal transactions on your account in many different forms throughout each business day. This means that you may be charged more than one Courtesy Pay Fee or Non-Sufficient Funds Fees if we pay or reject multiple transactions when your account is overdrawn. You may be charged up to ten (10) Overdraft Fees per day.

The best way to know how much money you have and avoid paying Overdraft and Returned Item Fees is to record and track all of your transactions closely.

You agree to immediately repay us for any Overdrafts we pay on your behalf plus all applicable Overdraft Fees. We may terminate or suspend Courtesy Pay or Overdraft Protection at any time in our sole and absolute discretion without prior notice. In no event shall any termination relieve you of your obligation to repay any Overdraft we have paid on your behalf, including applicable Overdraft Fees.

IF YOU DO NOT UNDERSTAND THIS AGREEMENT OR HAVE ANY QUESTIONS, PLEASE CONTACT US AT 410-272-4000 or visit any of our branches.